CHAPTER XXXIX

THE GERMAN AND WILSON PEACE NOTES OF DECEMBER, igiG . . . . . p. 1096

Asquith's decision against inconclusive peace — German Peace Note issued — Covering message from America — Text of German Peace Note — Germany invincible — No indication of terms — Language of a conqueror — Objects of the German Note — Situation studied by War Cabinet — French attitude to Note — Reply of Russian Duma — Views of other Allies — Feeling in the U.S.A. — Other Neutral views — Decision to send agreed Allied reply — My definition of British attitude — Mr. Asquith's corroboration — President Wilson's Peace Note — "Belligerents' aims similar" — Our decision to reply fully and candidly — Inter-Allied conference on the Notes — Allied reply to German Note — "A sham proposal" — Refusal to entertain it — Special case of Belgium — Reply to Wilson discussed — Need for revising European national frontiers — Nature of joint reply — Necessary conditions of peace — Mr. Balfour's covering letter — Victory essential to lasting peace — A forecast of the Versailles Treaty — Effect in America — President Wilson's reactions — Bernstorff's letter to House — German idea of peace terms — Submarine warfare announced.

CHAPTER XL

THE PERIL OF THE SUBMARINES . . . . p. 1120

Gravity of danger to British sea power—British blockade strangling Germany—War becoming a struggle of endurance—Possibilities of the submarine—The #53 foolishly arouses America—Growing successes of German cruiser submarines—Declaration of unrestricted sub-marine campaign—Growth of shipping shortage—Mr. Runciman's warnings—Shortage hampers equipment of our armies—Reasons for maintaining forces in Mesopotamia, Egypt and Salonika—Shipping position at end of 1916—Admiral Jellicoe's Memorandum—The Admiralty view: no remedy known—Simplicity of unrestricted warfare—The end in sight—Failure of our naval anti-submarine campaign—Rate of sinkings: Outlook in 1917—Germany con-centrating on submarines—Attitude of new Government—New methods proposed—Convoy system : opposition of the Admiralty—Jellicoe disapproves of convoys—Nature of the objections—War Committee's decision—Arming of merchantmen recommended—Plight of Norwegian shipping—Official view of Admiralty on convoys—Policy of patrolled approach areas—Shipping Controller's view—Admiralty's low estimate of merchant skippers' seamanship—An amazing miscalculation—Deceived by their own figures—Terms of German announcement of unrestricted submarine warfare—Early successes of the campaign—Hopelessness at the

Admiralty—Difficulty of intervention in Naval policy—Sir Edward Carson handicapped—My consultation with Jellicoe and Duff—The Hankey Memorandum—Advantages of the convoy system—Two convoy experiments—Success of French coal convoy—Commander Henderson investigates the problem—Co-operation of the Ministry of Shipping—Conference with mercantile captains—The Norwegian convoy—Admiral Sims*